

to regain the *precise* amount which he had originally advanced. I will first consider a Mortgage¹ upon a freehold house or shop.

1. It should be ascertained that the property is situated in an established neighbourhood, or one which seems likely to be permanently attractive to residents. An intending lender is advised, as far as possible and convenient, first to inspect the property himself, and its surroundings. It is true that a first impression often requires modification on subsequent reflection and inquiry, but a first impression is in all cases of the greatest value; and I have generally found that if, looking with an unprejudiced eye, my first impression was unfavourable, I acted wisely, as subsequent events proved, in rejecting.

"Is it so true that second thoughts are best?"—"not first?"

2. The advance according to circumstances should not exceed 75 per cent of the value placed upon the property by the valuer whom the lender employs.

3. Any contract to lend should be expressed in writing; especially should the conditions of the loan be unambiguously stated, such as, that the Valuer's Report must prove satisfactory to the lender in all respects.

4. The valuer should invariably be appointed by the lender himself for the specific occasion; and the choice of this expert is very important, and is frequently dealt with negligently.

He should not be (a) an architect, for an architect's function is to lay out money, not to estimate the price which a property will fetch; nor (b) should he be simply an estate agent, for his business is concerned with the management of properties and the collection of rents; but (c) he should be an auctioneer of house and shop properties, whose

employment is the selling
of them in the public mart. This
latter knowledge alone
renders him familiar with the actual and
changing demand

¹ Mortgage : a form of security for a debt: from two words (Latin and French) signifying a "dead pledge." Coke explained the term to the effect that, on pledging a property for a loan, an accompanying condition provided for its release on repayment of the debt at a specified date, so that if repayment should not take place, the property was taken from the borrower and thus became dead to him,, while, if repayment occurred, the pledge then became dead in respect of the lender.